

Lexington
Fayette
Urban
County
Government



January 30, 2004

DEPARTMENT OF LAW

Thomas M. Dorman, Executive Director
Public Service Commission of Kentucky
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED

FEB 02 2004

PUBLIC SERVICE
COMMISSION

Re: Case No. 2003-00434

Dear Mr. Dorman:

Please find enclosed herewith for filing the Lexington-Fayette Urban County Government's Initial Requests for Information in the referenced matter, along with 8 copies of the same. Please contact me should you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "David J. Barberie".

David J. Barberie
Corporate Counsel

ENCLOSURES

DJB/let380

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

FEB 02 2004

PUBLIC SERVICE
COMMISSION

CASE NO. 2003-00434

In the Matter of:

AN ADJUSTMENT OF THE)
ELECTRIC RATES, TERMS AND)
CONDITIONS OF KENTUCKY)
UTILITIES COMPANY)

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT'S INITIAL REQUESTS FOR INFORMATION**

Comes now the Lexington-Fayette Urban County Government (the "LFUCG"), by counsel and pursuant to the Public Service Commission's Scheduling Order of January 14, 2004 and submits its Initial Requests for Information to Kentucky Utilities Company ("KU") to be answered in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the company witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from counsel for the LFUCG.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout that would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify counsel for the LFUCG as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

INITIAL REQUESTS FOR INFORMATION

1. Can ratepayers expect any enhancement over the current existing level of service as a result of the proposed rate increase? If so, please provide a detailed response that includes the specific benefit or benefits to be provided to each particular customer rate class.

(a) More specifically, will the LFUCG obtain any additional benefit or benefits (level of maintenance or otherwise) as a result of the proposed increase? If so, please provide a detailed response that includes the specific benefit or benefits to be provided to each particular customer rate class.

2. How many additional customers (and of which particular customer rate class) does KU anticipate adding within Fayette County over the next 5 years? What is the anticipated level of additional revenue to KU as result of the addition of these customers?

3. Please provide the number (quantity), type, and location (by street address) of each street light located in Fayette County, Kentucky for which the LFUCG currently pays a monthly tariff.

4. What is the cost to KU (per unit) of obtaining each type of street light?

5. How many additional new street lights does KU anticipate being installed in Fayette County over the next 5 years for which the LFUCG would pay a monthly tariff? Please also provide the quantity of each type of light.

6. How many existing street lights are scheduled (or anticipated) to be replaced by KU in Fayette County over the next 5 years for which the LFUCG currently and/or in the future will pay a monthly tariff? Please provide the quantity of each type of light being removed and the quantity and type of light that will replace it.

7. Please explain in detail KU's current policies, procedures, practices, and/or guidelines for maintaining street lights in Fayette County and provide copies of the same.

(a) Does KU regularly inspect individual street lights or the collective street lighting in Fayette County? Do these inspections take place only upon the receipt by KU of a complaint regarding a particular street light?

(b) What is the average response time to replace a non-working street light in Fayette County?

(c) Does this information differ depending upon the type of street light? If so, please provide a detailed explanation.

8. Please describe in detail all maintenance that must be performed by KU on each type of street light to ensure that it operates properly and provide a list of each element of the required maintenance and its monthly cost.

9. Is KU able to ascertain, at any given time, the number of street lights in Fayette County that are actually in proper working order? If so, please provide a detailed explanation, and further explain:

(a) How many street lights (on average) are actually in proper working order at any given time;

(b) Whether the LFUCG is charged the monthly tariff rate for non-working street lights for the periods of time within which such street lights are non-operational or not working properly;

(c) The amount of time it takes (on average) to bring such street lights into working order; and

(d) Whether this information differs among different types of street lights. If so, please provide this information for each type of light.

10. How was KU's proposed monthly rate for each type of street light determined?

(a) Please describe in detail each element of the proposed monthly rate for each type of street light (maintenance and operations, etc.), including the percentage of the rate attributable to each element.

(b) Does this differ from the existing rate elements? If so, in what regard?

(c) What percentage of KU's proposed monthly rate for each type of street light is comprised of maintenance?

(d) What percentage of KU's proposed monthly rate for each type of street light is comprised of costs associated with acquiring or installing the street light? Please provide this information for each type of street light for which the LFUCG currently pays a monthly tariff.

11. What depreciable life basis (if any) for each type of street light does KU utilize? Is this the standard industry basis?

12. Does the LFUCG continue to pay for KU's cost of installing or acquiring the street light beyond the depreciable life basis of the street light?

13. From the perspective of the proposed rate for each type of street light, does KU propose to treat the existing street lights in Fayette County any differently than those that will in the future be installed? If so, please provide a detailed explanation.

14. Is it KU's position that it could have actually justified seeking a greater rate increase for any type of street light for which the LFUCG currently pays a monthly tariff? If so, for which types of lighting? Please provide a detailed explanation of the basis for this position (for each different type of light) and provide any supporting documents or work papers.

15. Has KU compared or analyzed the proposed monthly rate for each type of street light to those charged by other utilities in jurisdictions of similar size to Lexington-Fayette County, Kentucky? If so, please identify each jurisdiction to which the rates were compared or analyzed and provide the monthly rate for each type of street light in those jurisdictions.

16. How many different types of customer rate classes does the LFUCG currently make payments to KU under? For each type of class, please provide the following information:

(a) The type of customer rate class;

(b) The number of LFUCG accounts in each such class;

(c) The total amount paid by the LFUCG for each such class during the last 12 month period; and

(d) The total net projected impact for each such class under the proposed rate increase.

17. For each separate LFUCG account please provide a detailed analysis showing the impact of the proposed rate versus the existing rate using the most recent 12 month actual useage and billing data. Please also provide a detailed explanation of the formula that was used to obtain this information.

18. Has KU changed any of its policies, procedures, practices, and/or guidelines (in light of the February 2003 ice storm) to ensure that it is can more capably and/or timely respond to the loss of power by its customers? Please explain any such changes in detail, and provide any written documentation pertaining to such changes, as well as any existing documentation outlining KU's planned response in the event of a similar occurrence.

19. How are the costs and expenses from the February 2003 ice storm being treated? Are they being written off as a one-time event or loss? If not, please provide a detailed explanation.

20. What are KU's current policies, procedures, practices, and/or guidelines pertaining to the trimming and/or removal of street trees (and other trees effecting utility lines) in Fayette County that might potentially interfere with service? Provide copies of the same.

(a) Have these changed in any way as a result of the February 2003 ice storm? If so, in what way(s)?

(b) How much money did KU spend on the trimming and/or removal of street trees (or other trees effecting its utility lines) in Fayette County during the 5 year period prior to February 2003?

(c) Not including those costs directly attributable to the February 2003 ice storm, how much money has KU spent since that ice storm on the trimming and/or removal of street trees (or other trees effecting its utility lines) in Fayette County?

21. How much money has KU spent on advertising or promotional activities in the last 5 years? If possible, please provide such information for Fayette County and describe in detail the nature (i.e., television, radio, billboard, etc.) and type (i.e. conservation of electricity, etc.) of such advertisement or promotion.

(a) What amount (and percentage), if any, of this advertisement was of material benefit to ratepayers in accordance with Commission regulation 807 KAR 5:016?

22. How frequently (on an annual basis) does KU perform meter inspections?

(a) Of these inspections, how frequently (on average) does the customer bear the associated costs or expenses?

(b) Are the costs or expenses associated with meter inspections otherwise reflected in KU's overall costs or expenses such as maintenance and operations?

23. How frequently (on an annual basis) does KU disconnect or reconnect service?

(a) Are the costs or expenses associated with disconnecting or reconnecting service otherwise reflected in KU's overall costs or expenses such as maintenance and operations?

24. Does KU engage in non-regulated activities or in any way provide non-regulated service? If so, generally describe all such activities or services in detail and indicate the extent to which KU engages in or provides such activities or services.

(a) Do any KU employees spend any of their time engaged in such activities?

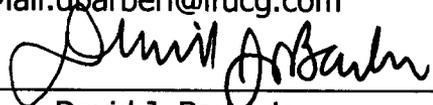
25. Does KU allow, in any way, the non-governmental utilization of public street lights in Fayette County?

(a) If so, please provide a detailed explanation of each different type of such utilization that occurs in Fayette County, the extent of each type of utilization, the names of any parties that have agreements with KU regarding such useage in Fayette County, the amount and type of compensation or consideration (monetary or otherwise) that KU typically receives for such useage, copies of any pertinent agreements for such useage, and the total amount of compensation that KU receives for such activities.

Respectfully submitted,

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT
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Lexington, Kentucky 40507
(859) 258-3500
E-Mail: dbarberi@lfucg.com

BY:



David J. Barberie
Corporate Counsel
Leslye M. Bowman
Director of Litigation

NOTICE AND CERTIFICATION

I hereby certify that an original and eight (8) copies of the Lexington-Fayette Urban County Government's Initial Requests for Information were filed with the Public Service Commission, attention: Thomas Dorman, Executive Director, P.O. Box 615, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615 by first class U.S. Mail delivery, postage prepaid; furthermore, it was served by mailing a copy by first class U.S. Mail delivery, postage prepaid, on the following, all on this the 30th day of January 2004.

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